



Payment Reporting Requirements

IF you have employees, you must file Form W-2 to report wages paid.

IF you have a worker or subcontractor that is **NOT** considered an employee and earns \$600 or more during the year, you must report this payment to the IRS.

These workers or subcontractors are classified as independent contractors, and Form 1099-MISC, Miscellaneous Income, is used to report the payments you make to them.

Important Reasons for Filing Form 1099-MISC

- **You can avoid a penalty** if you report payments to IRS and to your workers. If there is any failure to file a correct Form 1099-MISC or to provide a copy to a payee, and the failure is due to intentional disregard, you may be subject to a penalty of up to 10% of the amount that should have been reported on each form, with no maximum penalty.
- **If you take a deduction** for amounts paid to subcontractors and fail to file Form 1099-MISC, your deduction could be challenged.



How These Sessions Will Help

The IRS has identified a trend in the construction industry indicating that Forms 1099-MISC and W-2 are not being filed as required. In order to help those working in this industry, we invite you to attend a free tax seminar presented by the IRS.

These sessions will provide important information to the Construction Industry about:

- The correct filing of Form 1099-MISC
- Income and employment tax reporting requirements
- Avoiding penalties for non-filing
- Classifying workers or subcontractors as independent contractors
- Filing Form 1099-MISC electronically using the Filing Information Returns Electronically (FIRE) system. We will teach you how easy it is to file electronically using this system. Additional advantages of using the FIRE system are knowing your files have been received within two business days and having an additional 31 days to file Forms 1099-MISC.



Seminar Locations

Friday, October 22

Two seminar times to choose from:

2:30 pm - 3:30 pm or

3:30 pm - 4:30 pm

Seattle Central Community College
Wood Construction Center
2310 S. Lane Street
Seattle, WA 98144

Wednesday, November 3

6:00 pm - 7:30 pm

Renton Technical College
3000 NE 4th, Room C111
Renton, WA 98056

Wednesday, November 10

10:00 am - 11:30 am

Associated Builders & Contractors of
Western WA
399 114th Ave NE
Bellevue, WA 98004

Thursday, December 2

6:00 pm - 7:30 pm

Mountlake Terrace Library
23300 58th Ave W
Mountlake Terrace, WA 98043

IF you are unable to attend a session, go to **www.irs.gov** and click on **Business** then click on **Employment Taxes for Small Businesses** for specific information on filing Forms 1099-MISC.

**To register for this
informative session, call:**

**Taxpayer Education &
Communication at
(206) 220-5300**



or register by e-mail:

wa_sbed@irs.gov



NOTE: The two seminars on October 22 are part of an all day Contractor Training Event offered by the Washington State Department of Labor & Industries.

For more information, send us an email at the above email address.



Department of the Treasury
Internal Revenue Service
www.irs.gov



Internal Revenue Service
SBSE Taxpayer Education & Communication
915 2nd Ave, M/S W601
Seattle, WA 98174

HOW YOU CAN PROTECT YOURSELF FROM IRS PENALTIES

**Do you make payments
to workers or
subcontractors?**

**Do you deduct these
payments?**



**If so, and the worker is a
subcontractor and not
an employee, then you
may be required to file
Form 1099-MISC**

**To find out more, attend a
FREE Tax Seminar
presented by the IRS**